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Abstract

Recommendations pertaining to auxiliary services and physical plant are presented for implementation in the development of a master plan for higher education in Utah. The following topics are considered regarding auxiliary services: establishment, organization, acccunting and financial control, and charges. Overall policies for physical plant operation are discussed as well as utilization and space standards. Also considered is the need for projecting operating costs for facilities. (FS)

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MASTER PLAN STUDY COMMITTEE

A Report to the

UTAH COORDINATING COUNCIL OF HIGHER EDUCATION

AUXILIARY SERVICES AND PHYSICAL PLANT

EF 003 590

STATE OF UTAH
COORDINATING COUNCIL OF HIGHER EDUCATION

May 1968

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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REPORT OF MASTER PLAN STUDY COMMITTEE H

AUXILIARY SERVICES AND PHYSICAL PLANT

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This report of Study Committee H is made to the Utah Coordinating Council of Higher Education for its use in developing a Master Plan for Higher Education for Utah. It should also prove useful to other study committees, the Steering Committee, and the Advisory Committees in their deliberations.

This report is the work of the Study Committee; it is not the work of the Council nor does it necessarily reflect decisions of the Council.

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RECOMMENDATIONS OF COMMITTEE H

Committee H submits the following recommendations:

1. The function of an auxiliary enterprise is to serve the needs of the institutional community. The institution should provide these services when they are not readily available with sufficient convenience by commercial firms.
2. Auxiliary enterprises are essentially business operations and therefore should be managed and accounted for as such.
3. Wherever possible, charges and fees should be set high enough for the revenue to cover all costs including depreciation.
4. In contemplating future building needs, comprehensive academic planning should precede facilities planning and construction to assure the proper integration of the overall state plan for higher education.
5. Space utilization guidelines should be utilized to determine the needs of the respective institutions.
6. Equitable operating cost standards for operation of facilities should be provided and uniformly applied to all institutions. These standards should provide the necessary tool for determining the appropriation for maintenance and operation of the physical plant.

AUXILIARY SERVICE

I. What is an Auxiliary Service?

An Auxiliary Service in the broadest sense encompasses those activities conducted on the institutional campus to support the academic community. An auxiliary enterprise is an entity operated for the benefit of students, faculty and staff and is intended to be financially self-supporting and to provide a service not readily available elsewhere. Examples of auxiliary enterprises are bookstore, cafeteria, student union, and housing. The function, policy, and purpose of each auxiliary should be defined clearly by the administrative officer responsible for institutional policy. These enterprises are generally similar to commercial enterprises of a like nature and as such should have sound businesslike management.

Auxiliary services also include supporting services which provide necessary services to the various divisions of the educational institutions and could perhaps be purchased elsewhere, but for reasons of convenience, costs, or control are more effectively furnished by units or departments established by the institutions.

II. When should Auxiliary Services be established?

Auxiliary services should not compete with private enterprise. Neither should they solicit nor encourage patronage of the community when private enterprise has the required capability to provide the service. An auxiliary enterprise can be justified only if it provides services required by the academic community at costs equal to or less than the prevailing commercial rate. These enterprises and services

should not serve the general public without charging prices or fees which are in fair relationship with competitive private business within the community. They should not serve the general public at prices which do not cover all costs of the services rendered.

III. Organization of the Auxiliary Services System.

All enterprises and services should be grouped under one executive manager who has, within the policy of the institution, full authority and responsibility for their adequacy and financial success.

His prime responsibility is the selection, training, and supervision of the directors, supervisors, and managers of such enterprises and services.

A uniform set of operating instructions and policy determinations should be developed for all institutions. Financial data, including operating costs, statistical information, and management reports, should be disseminated to all institutions of higher education in the state, so that each institution can measure its performance against that of its sister institutions. This free interchange of ideas and data should result in increased efficiency.

The executive manager should be constantly alert to the possibilities of some services being contracted out to off campus businesses whenever adequate service can be rendered at a savings in "ALL COSTS".

IV. Accounting and Financial Control.

Inasmuch as auxiliary service units are essentially business units, commercial accounting for these enterprises is in order. The committee strongly urges the use of "all-inclusive costs". In other words, all costs incurred in the operation of the service, including depreciation, should be borne by the unit. If for some reason the service needs to

be subsidized, it should still be assigned all costs so that institutional management will be aware of the extent of the subsidy.

Care needs to be exercised to distinguish between operating costs and institutional or student costs. In the area of student housing, for example, all costs incurred in operating the housing unit should be charged against the unit. On the other hand, cost of student counseling, student programs, etc., should be the responsibility of the Dean of Students' office.

Management should receive adequate and timely reports in order to operate the services economically and efficiently. A type of commercial profit and loss accounting format should be used.

V. Charges for Auxiliary Services.

In order that auxiliary service units may be self-supporting, fees must be set high enough to cover all costs. Failure to do this results in a siphoning of other funds which could be used to support educational programs. On the other hand, many auxiliary services enjoy a monopoly position and thus are in a position to set fees at a high level. The committee believes the function of the auxiliary services is to provide needed services and not to produce revenue. Therefore fees should not be excessive. They should be set high enough to cover all costs and provide a high level of service but low enough to eliminate the possibility of monopoly profits.

VI. General Considerations.

Services which are necessary should be carefully considered--an isolated campus may need more services than a campus which is located in or near a community. Consideration should be given to the availability of surplus housing or other services available to the institution in the

community. Consideration should also be given to the feasibility of serving the general public and to the advisability of subsidizing the out-of-state student in the area of housing, meals, etc. These objectives could possibly be a direct result of meeting with management from like areas in the community served.

It would be practical to review the activities of the enterprise or services at the end of a fiscal period. If the purposes of the enterprise or services have been changed, a reclassification may be in order.

Although enterprises are generally intended to be self-supporting, in special instances a subsidy may be in order. In such instances the accounting records and statements should indicate the amount and source of the subsidy.

Guidelines for auxiliary and service enterprises should be flexible enough so that business-like management is effected. Definite disposition of net income should be determined by top-level institutional policy.

The following are indications of a few specific projects which might be necessary for inclusion in any master plan governing the auxiliary enterprises and supporting services:

a. The development of administrative policy manuals which would instruct and control the executive.

b. The development of operating manuals covering overall procedures, instructions, programs to be used by the directors and managers of all enterprises and services. This should include:

   (1) A general manual for all institutions,

   (2) Specific operating instructions for each institution.

c. The development of personnel management policies, including:

(1) Salary and fringe benefits,

(2) Job descriptions,

(3) Organizational charts.

d. The development of budget and accounting control procedure manuals,

(1) to include procedures to mesh with the overall accounting system of the institution.

e. The development of a schedule of fees and charges to guide the management in all institutions.

PHYSICAL PLANT

I. Overall Policies for Physical Plant Operation.

a. In contemplating future building needs, comprehensive academic planning should precede physical facilities planning. In the past, facilities have had to be planned and constructed without the benefit of adequate institutional academic planning or overall state coordination of the academic program. In the opinion of the committee the Coordinating Council should review the academic plans as prepared by the respective institutions to assure proper integration into an overall state plan for higher education.

b. Based on educational needs as disclosed by the academic plan, a project or building architectural planning guide should be prepared by the institution in conjunction with the Utah State Building Board.

c. A statewide study of building construction and operating costs should be made. It is our understanding that the Building Board now has such a study in process. Standards should be

equated to square footage by type of building, and disciplines should be related to available and committed facilities. This information could then be considered in the preparation and approval of plans for construction as well as the operating and maintenance budgets of the respective institutions.

d. Once a facility is constructed it becomes the property of the State of Utah and not of the particular department or college assigned to occupy the structure. The need for maximum utilization of facilities requires that space be assigned by the central administration of the institution and not by the department or college.

e. In order to eliminate the tendency to acquire costly furnishings, the Utah State Building Board should specify the dollar limit or type of furnishings appropriate for the various offices and classrooms.

f. In the construction of buildings, provision for rooms with a restricted use should be avoided wherever possible. Care should be exercised to insure the erection of structures that are flexible enough in arrangement to accommodate a variety of uses so often necessary due to changing conditions.

II. Utilization and Space Standards.

a. General:

Utilization and space standards should allow maximum flexibility and yet be equitable for all segments of public education in Utah. It is reasonable to expect such standards to anticipate a reasonably high rate of utilization.

In the past, utilization analysis has been restricted to

a study of classrooms and teaching laboratories. This should be broadened to include a comprehensive analysis of all facilities because the effective utilization of one type of space is frequently dependent upon the availability of other types of space.

b. <u>General Classroom Utilization Guidelines:</u>

Studies by the Building Board have indicated that general purpose classrooms and seminar rooms should require about the same amount of space per student in one discipline as in another. This is valid whether the planning is for lower, upper, or graduate division students. Some campuses have strong evening programs, but by planning for the bulk of the enrollments to attend classes from 8:00 a.m. to 5:00 p.m., there should always be space available for the evening program. However, an institution whose teaching facilities are heavily utilized during the 8:00 a.m. to 5:00 p.m. hours, but which does not utilize its facilities to any major extent during the 5:00 p.m. to 10:00 p.m. hours, will have difficulty achieving a relatively high rate of utilization when compared with institutions who do have substantial evening instructional programs.

Important in terms of what is needed in construction monies is the determination of the number of hours out of each week that can be considered to be available for use. It is unrealistic to anticipate that a campus can be scheduled for all hours of all days in all rooms. Generally accepted standards of hours of use per 45-hour week (8:00 a.m. to 5:00

p.m. - 5 days) range from 30 to 34 hours per week. Utah is not a highly industrialized state, but the proportion of its population attending higher educational institutions is the highest in the nation. We must expect to achieve at least 34 hours per week room utilization.

c. Teaching Laboratories Utilization Guidelines:

According to Building Board data, laboratories are usually designed for specialized instruction and are much less versatile than classrooms and seminar rooms in providing space for more than one subject field area. Also, scheduling problems result from the need to be concerned with arranging blocks of instruction time which may range from two to five hours instead of the usual one-hour sections. However, it is expected that all lower division laboratories within similar subject fields can be used to about the same extent. Special space allowances should be developed for vocational laboratories, but the degree of utilization should equal that of the lower division laboratories.

A few states have determined a marked difference between the utilization rates at upper and graduate division levels as compared with the lower division. The Building Board is presently making a study to determine if such a difference exists in the Utah schools. Utilization of laboratories in state institutions should be expected to approximate 25 hours per week.

d. Student Station Utilization Guidelines:

The average number of times rooms are scheduled throughout

the week only partially reflects utilization. The other utilization component is the degree to which rooms are filled to capacity when they are scheduled. Important to fair appraisal of student station utilization is the requirement that all institutions assign equal numbers of stations to rooms of the same size.

Late in 1964, the administrators of the institutions of higher education in Utah, or their representatives, met together under the direction of the State Building Board and derived an optimum seating schedule for general classrooms. This schedule has been used in all space utilization studies of general classrooms since that time. Because teaching laboratories require different amounts of space per station, depending upon the instructional subject matter, the number of stations per size of a given room is a variable quantity and is now assigned by the institutions.

Student station utilization guidelines should approximate 70 percent for general classrooms and 85 percent for teaching laboratories.

III. Need for Projecting Operating Costs for Facilities.

The projection of operating costs should be refined to provide a more accurate basis for administrative budgeting. Current studies of maintenance and operating costs which the Building Board conducts for guidance in planning and design for construction should be utilized to the extent possible by the Coordinating Council in evaluating operating budgets for institutions of higher education.

Specifically, the committee recommends:

a. That allowable operating costs be based on standards that are applied equitably to all institutions.

b. That such standards be based on appropriate criteria such as gross area, net useable area and/or volumetric measurements.

c. That such standards take into consideration such factors as age, use, location, and site development of the facilities.

d. That provision be made for timely revision of such standards as may be dictated by circumstances such as changes in the cost of labor, materials, and utilities.